

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
ALLEGHENY HEALTH, EDUCATION
AND RESEARCH FOUNDATION,

Plaintiff,

V.

PRICEWATERHOUSECOOPERS, LLP,

Defendant.

Civil Action No. 00-684

Judge David Stewart Cercone

**APPENDIX TO THE COMMITTEE’S RESPONSE TO PwC’S STATEMENT OF
UNDISPUTED AND MATERIAL FACTS UNDER LOCAL RULE 56.1(C)(1)**

VOLUME 6A

James M. Jones (PA #81295)
 Laura E. Ellsworth (PA #39555)
 Laura A. Meaden (PA #52002)
 JONES DAY
 500 Grant Street, 31st Floor
 Pittsburgh, PA 15219

Richard B. Whitney
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, OH 44114

Attorneys for Plaintiff The Official Committee
of Unsecured Creditors of AHERF

July 11, 2005

EXHIBIT 1243

07/13/98 SUN 13:01 FAX 215/762-1754
JUL -13' 98 (MON) 14:47 DM&H 41A

AHERF EAST PRES OFFICE
TEL: 215 979 1620

40002
P. 002

July 13, 1998

BY FACSIMILE: 215-762-1754

Mr. Anthony Sanzo
President and CEO
AHERF
320 East North Avenue
Administrative Offices
Pittsburgh, PA 15212

*increase to \$100,000
of attached to v.
proposal.
All loans become secured*

Dear Tony:

Following our conversation of yesterday, I can confirm that PNC Bank, N.A. and MBIA Insurance Corp. are willing to consider interim financing for the members of the Delaware Valley Obligated Group ("DVOG") in an amount up to \$33MM (which you indicated would be a sufficient amount of financing to take the "Eastern Region" of AHERF through August 7, 1998) on the following general terms:

- Amount - Up to \$33MM, of which no more than \$5MM could be advanced on or before July 16, 1998, which is prior to initiation by MBIA or PNC of any due diligence necessary in connection with this type of enhanced financing;
- Term - On demand, but, depending upon the results of due diligence, not longer than 120 days;
- Obligor - Joint and several members of the DVOG;
- Support - Security interest in all present and future assets of DVOG to include, without limitation, accounts receivable, plant and equipment and proceeds;
- AHERF and its affiliates to fully subordinate to the PNC and MBIA debt (both the new and existing debt) any payments owing to them by DVOG;
- You agreed to clarify the reinstatement of the intercompany receivable owing to DVOG by any AHERF affiliate and/or subsidiary (reflected as canceled in the April financials);

PH14225622

TAC055823 CM

EX	1243
WIT	C. C. Borne
DATE	4/10/03
CLAIRE GROSS, RPT	

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AHERF EAST PRES OFFICE
TEL: 215 979 1020

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P. 003

July 13, 1998
Page 2

- Collateral and subordination to apply to prior credit exposure as well;
- PNC and MBIA and their designated agents or representatives to be given access to AHERF affiliates, their books and their personnel in order to perform due diligence functions;
- Various other terms and conditions, including financial reporting, financial covenants, events of default and remedies as would customarily be contained in transactions of this nature.

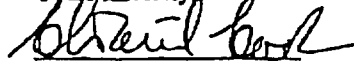
We asked you to confirm to us (by AHERF, its board and management) the interest in and commitment for both this interim loan and the establishment of a process whereby AHERF will take the steps necessary to enable PNC and MBIA to receive a full recovery for any obligations owed to them by the AHERF system.

In order to expedite our joint efforts to reach a mutually acceptable solution to the current cash needs of the AHERF system, I have purposefully provided only the general terms of our thinking in this letter. Of course, any commitment would be subject to documentation acceptable to us which will contain the terms contained in this letter as well as other terms and conditions which are customarily contained in documents evidencing transactions of this nature and formal approval by our two organizations, among other things.

We are, however, prepared to act expeditiously to enable you to be able to meet your payroll obligations this Thursday. Each of our companies currently has management teams on site in Philadelphia, with available counsel.

Please contact me as soon as possible via my beeper number at 1-800-417-5852 if we might add further clarification to the above, and, of course, following the Board meeting this afternoon. We trust you will find our proposal an acceptable first step toward ensuring that AHERF hospitals — both east and west — remain open and able to provide quality health care on a consistent basis in their communities.

Yours sincerely,



C. David Cook
Senior Vice President and Healthcare
Banking Executive
PNC Bank, N.A.

PH10715612

TAC055824 C.m

EXHIBIT 1289

NEWS



ALLEGHENY
HEALTH, EDUCATION AND
RESEARCH FOUNDATION

For Immediate Release

Contact: Thomas G. Chakurda
(412) 359-6896

AHERF CONSIDERS RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Pittsburgh, PA – September 2, 1998 – The Finance and Audit Committee of the Board of Trustees of Allegheny Health, Education and Research Foundation (AHERF), together with the new senior management of AHERF and PriceWaterhouseCoopers LLP, are reviewing certain accounting and reporting issues related to the June 30, 1997 consolidated financial statements of AHERF and its affiliates, which they believe may require revision. Accordingly, pending completion of their review, no further reliance should be placed on the financial statements or the Coopers & Lybrand report thereon. Included among the issues being reviewed are:

- ♦ a portion of the liability reserves related to the acquisition of the Graduate Hospitals were incorrectly reversed to income, thus, impacting intercompany accounts and net patient revenues; and
- ♦ earnings and trading gains from certain restricted funds may have been incorrectly reported as "Net Assets Released From Restrictions" and "Investment Income."

According to the Finance and Audit Committee of AHERF's Board, the latest findings are part of the ongoing process to examine all financial aspects of the Allegheny organization. They reinforced that if further matters surface, they will be addressed on a timely basis.

-30-

DBR-SG
06009

EXHIBIT 1305

**ALLEGHENY
INTEGRATED
HEALTH
GROUP**

100 W. Laurel Avenue
Cheltenham, PA 19012

M E M O R A N D U M

TO: Distribution
FROM: Janet M. Walz *Janet*
Assistant to the President & CEO
DATE: April 5, 1996
SUBJECT: Practice Review Follow-Up

Please be advised that a Practice Review Follow-up Meeting has been scheduled for Thursday, April 11, 1996 at 8:30AM - 10:00AM in the Cheltenham Boardroom.

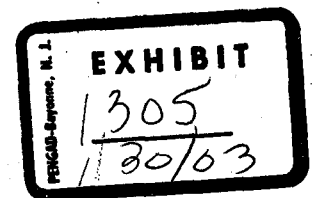
Attached are the summaries of all practices reviewed to date.

Please do not hesitate to contact me at 663-5468 if you have any questions and or comments.

/jmw

Attachment

Distribution: John Angeloni, D.O.
Jerold Aronson, M.D.
Lee Barber, M.D.
Rich Centafont
Gerald Escovitz, M.D.
Nancy Feldman
Don Kline
Harvey Levy
Mark Radbill, D.O.
Karen Sablyak
Martin Shimmel, M.D.



Members of Allegheny Health, Education
and Research Foundation
Allegheny General Hospital
Allegheny Integrated Health Group
Medical College of Pennsylvania
and Hahnemann University
Medical College of Pennsylvania and
Hahnemann University Hospital System
St. Christopher's Hospital for Children

PR-Dr.K-09-1450

**ALLEGHENY INTEGRATED HEALTH GROUP
PRACTICE REVIEW**

A meeting was held on Friday, March 8, 1996 to review and discuss the performance of the following AIHG practices:

PRACTICE

ACTION REQUIRED

Bensalem Medical

Profit (Loss) is (400,790). Budget (200,000). Decrease 1/2 physician. Drs. Shimmel and Escovitz to visit practice and discuss with Physician expanding revenue and reducing costs.

Castor/Lawndale Medical

Dr. Escovitz, Dr. Shimmel and Karen Sablyak to put together a financial projection. TBD Bottom line of 262K needs to improve. Business Plan required.

Frankford Medical

Dr. Shimmel looking into Dr. Eshelman's contract. Decrease expenses. Downsize PT and Marketing person. Incentive okay.

Holmesburg

Dr. Escovitz and Dr. Pongonis to meet - revise budget. Deficit to be decreased. Review staffing and physician hours. Dr. Fish being shifted full-time 7/1 to Homebound program.

Pennypack Medical

Practice is quite busy. 90K off due to error in cost center allocation. Correct #'s before we put in new incentive.

Pine Valley Medical

Rent along with Physician and staff salaries vary from proforma. Harvey Levy to review and advise. Non-recurring one-time expense (chart conversion). Physician salary and rent is correct. H. Levy to review staff salary in black binder and advise.

Torresdale Medical

Proforma variance on Physician's salary. Harvey Levy to check on salary issue. Target was based on one physician. PA was placed in practice. Raise base for bonus or re-assign PA. Dr. Shimmel to discuss with Dr. R. Cohen.

Welsh Road Medical

Revenue increased. Practice productive. Looks okay.

Knights Road Medical

Decrease staff or increase productivity in addition to taking out some evening physician hours. Dr. Shimmel to speak with Physician.

Dresher Medical

Single Physician practice. Unmotivated. Reduce staff or increase productivity. Harvey Levy and Dr. Shimmel to speak with Dr. Baron.

Hatfield Medical

Leave alone. Looking to place this physician with another practice, especially if the building cannot be brought to code.

**North Penn Family:
Lansdale & Chalfont Medical**

Harvey Levy and Dr. Shimmel to visit practice and speak with Physicians. We cannot subsidize. Must break even or downsize.

Norristown Multi-Specialty

Drs. Segal and Barber to share responsibility for this practice. Two proformas (rent was missed in the first proforma). Fairly productive. Harvey Levy to review and advise regarding understated staff salary. Travel, meals and entertainment expenses must be decreased. R. Centafont to check with S. Dougherty if lab equipment in office can be placed elsewhere.

Dekalb Medical

Possible proforma error. Harvey Levy to review and advise.

Pottstown Medical

Sell Practice. Harvey Levy to pursue.

Allegheny Medical

Expenses up, revenue down. Recent participation in USHC. Placed Dr. Oxenberg in practice due to 1 yr. contract commitment. Continue Dr. hours and try to build practice. Re-evaluate in June.

Broad & Erie

Productivity almost zero. Staff can be reduced. Possibly integrate this practice into an area where SCHC is considering opening a Pediatric practice. Bob Martin to speak with Calvin Bland. Entire issue of the relationship of AING purchases to the needs of SCHC should be reviewed. Purchase practices where AING needs are. Dr. Garg leaving 5/1. Revist.

Homebound Services

Agreed to proceed according to plan and budget.

**ALLEGHENY INTEGRATED HEALTH GROUP
PRACTICE REVIEW**

A second meeting was held on Wednesday, March 13, 1996 to continue the review and discuss the performance of the following AIHG practices:

PRACTICE

ACTION REQUIRED

Somerset Medical

A few one-time expenses (Chart conversions, records, etc...) increased expenses. Removing part-time physician. Possible option: Merge Somerset Practice with Broad & Erie Practice into new location.

Plymouth Meeting Medical

Physician elderly; poor health. Not USHC participant. Dr. Barber to visit with Physician discuss merging with another practice. Option 2: buy him out of contract.

Skippack Medical

Elderly physician in fast growing area. Option 1: buy out his contract for as little as possible. Option 2: Add physician and build practice. Drs. Escovitz and Barber to set-up meeting with Physician.

Cobbs Creek Medical

Revenue down, expenses up. MA position not being replaces. M. Clair working on merging plan.

City Line Medical

Practice doing fine, but can do better. Cut down on loss.

Internal Medicine & Girard Estates

No data on hospital admissions. No salary plan. Proforma variance due to missed salaries. Dr. Segal meeting with Dr. Rosner.

Langhorne

Already downsized staff and replaced Office Manager. Revenue has potential to increase once practice is stabilized. K. Sablyak and Dr. Radbill to review staffing and coding. Commitment is there.

**Neshaminy - Richboro
& Bensalem**

Revenue up. Looking into
Merging Richboro practice with
"Luber" practice.

Newtown

70K error in cost center
allocation. Revenue down.
Replaced Office Manager. Dr.
Radbill to speak with Dr. Creed
re: increasing productivity.

Oxford Valley

Revenue up. In the process of
reducing staff. K. Sablyak and
Dr. Radbill to review
additional downsizing.
Productivity can be increased.

Brookview

Difficult practice to deal
with. Dr. Shimmel and H. Levy
to visit practice. Increase
productivity or decrease staff.

Northeast Medical

Revenue dropped, expense
increased. Move physician
(Taureen) to another practice.
Drs. Shimmel and Escovitz to
meet with physician. Revise
budget. 173K to be reduced 50%.
Reduce physician hrs. Staff can
then be reduced.

North Mayfair

Suggested that Regional Manager
sit in practice for a few days
and observe actual time worked.
Physician needs to get more
efficient. Dr. Shimmel to
review.

Parkwood

Revenue up, staff salaries
down. good location. Leave
alone

Rhawnhurst

Leave alone.

**ALLEGHENY INTEGRATED HEALTH GROUP
PRACTICE REVIEW**

A meeting was held on Monday, March 18, 1996 to continue the review and discuss the performance of the following AIHG practices:

PRACTICE

ACTION REQUIRED

Bella Vista

Dr. Angeloni and Rich Centafont to review Physician coverage with Dr. A. Lobianco. Overhead high compared to income. Reduce hours of staff.

Point Breeze

Productivity dropped. Quality issue. H. Levy to visit practice and discuss with Physician.

Spruce Hill

Revenue up, expenses down but could increase productivity. Drs. Angeloni and Amrom to visit with Physicians.

West Girard

Physician retiring in July; being replaced. This is one of three practices being merged.

West Market

Staff salaries up. This is another of the practices being merged; staff will be reduced once merger is complete.

Marlton & East Camden

Two practice sites. Rabie's salary not listed. Going forward possibly eliminate Marlton address. Physician in Marlton office has high salary; productivity falling. Limit him to MVI work.

Wynnefield

Revenue up. Leave alone.

East Norriton

Reviewing cost saving ideas for the Norristown practices. Harvey Levy and Dr. Barber to visit practice. Increase productivity or decrease staff.

Evesham

Revenue may be understated. Dr. Barber to meet with physician.

Holly Oak

Currently cash business. Becoming a USHC participant.

Kingston	Newer practice. Little information available. Check "other" expenses.
Telford	Location far. Not key practice. If reasonable, add 1/2 physician.
Wynnbrook	Newer practice. Looking into staff variance.
Willingboro	Newer practice.
Holme Avenue	USHC approval pending. Decrease staff. Drs. Shimmel and Escovitz to meet with Dr. Celia.
Jenkintown	Location good. Physician added to practice. His salary not included. Karen Sablyak to review why physician salaries increased.
Pennsbury	Revenue dropped, expenses increased. Excessive moonlighting hours. Staff salary needs to be reduced. Karen Sablyak and Mark Radbill to follow-up.
Woodbourne	Check rent. Possible overpayment. Little support of AHERF system. Tremendous potential here. Drs. Escovitz and Radbill to meet with physician.
Cottman	No discussion transpired.
Horsham	Increase in capitated revenue due to enrollment in USHC. Volume limited by space. Dr. Shimmel and Marc Clair to review building plans.

**ALLEGHENY INTEGRATED HEALTH GROUP
PRACTICE REVIEW**

A meeting was held on Thursday, March 28, 1996 to continue the review and discuss the performance of the following AIHG practices:

PRACTICE

ACTION REQUIRED

Bryn Mawr Pediatric

AIHG's presence on the Main Line. Losing money. Drastic action needed. Physician hours are overstated. Office overstaffed. Kathy Martini, Karen Sablyak and Dr. Aronson to visit practice and discuss revenue. Dr. Aronson to report back to group.

Ardmore Pediatrics & Chestnut St.

Revenue up. Error in physician salary allocation. Provide coverage for Hillman. Discussions to add Pediatrics to Wynnfield Practice (adult practice) Business Plan needs to be submitted.

Castor Avenue Pediatrics

Key location. Costs increased. Assumed responsibility for Harbison Pediatrics. H. Levy and Dr. Aronson to speak with Dr. Sey. Check pharmacy costs. Don Kline to adjust target.

Cheltenham Pediatrics

Revenue has gone up; physician was added (Kovats). One physician retiring 7/96. Staff reductions anticipated when physician retires.

Elkins Pediatrics

Expenses up. Dr. Kovats splits time between Cheltenham and Elkins.

NOTE:

In a large percent of the AIHG practices, there is a significant increase in telephone usage. This is being looked into. Possibly change lines to limit long distance calls.

EXHIBIT 1312

AHERF

**Allegheny Health, Education
and Research Foundation**

D.L. Clark Building, 4th Floor
Pittsburgh, Pennsylvania 15212

MEMORANDUM

DATE: April 18, 1997

TO: Distribution

FROM: John T. Lydon
Director, Accounting & Financial Reporting, Pittsburgh

Chuck Lisman
Director, Financial Services

SUBJECT: Coopers & Lybrand Audit Requests

Attached you will find the Fiscal Year 1997 Coopers & Lybrand (C&L) Audit Schedule Request for Allegheny Health, Education and Research Foundation and affiliates. Please read through this request and prepare the appropriate schedules/analyses relative to your areas of responsibility. Note that there are two time frames outlined in this request, preliminary fieldwork scheduled to begin April 28, 1997 and year-end fieldwork scheduled to begin in late July or early August. Any schedules/analyses requested for preliminary fieldwork should be prepared as of March 31, 1997 and returned to Accounting by Tuesday, April 29, 1997. Year-end schedules/analyses should be prepared as of June 30, 1997 and returned by Thursday, July 31, 1997. The schedules/analyses prepared for the preliminary fieldwork should be "rolled forward" to account for the activity from April through June and available for review at year-end. As mentioned in the C&L request, they would like all schedules/analyses and any other supporting documentation to be supplied on disk in either Lotus 1-2-3 or Wordperfect format if possible. Please note that C&L will also be updating their understanding of our internal control environment during preliminary fieldwork, making it necessary for them to meet with a number of you in addition to any specific schedules/analyses that have been requested. If you have any questions on any matter related to this request please call Chuck Lisman at (412) 442-2153 for Delaware Valley entities or Jack Lydon at (412) 442-2194 for Pittsburgh entities. Thank you.

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Distribution:

Al Adamczak
Nick Borrelli
Marcia Caliendo
Dan Cancelmi
Dave Deasy
Jeff Eberly
Jack Ellsworth
Jim Fascetti
Joe Gindhart
Sue Gilbert
Missy Hershberger
Barb Johnson
Elaine Junio
Bruce Kehr
Don Kline

Russ Laing
Ron Longobucco
Rich McKeown
Chuck Morrison
Mike Moyer
Jack Nelson
Kristie Pippy
Bryan Randall
Keith Reabe
Susan Rutter
Kathleen Saunders
Robin Schaffer
Joe Scharf
Greg Snow
Steve Spargo

Nick Vidovich
Angie Yanez

CANDEP 01343

TX	1312
WHT	J. Schaff
DATE	
LEAD WORKS FOR	

**Coopers
& Lybrand****Coopers & Lybrand L.L.P.**

a professional services firm

600 Grant Street
35th Floor
Pittsburgh, Pennsylvania
15219-2777

telephone (412) 355-8000

facsimile (412) 355-8089

April 15, 1997

Mr. Jack Lydon
Director
Allegheny Health, Education
and Research Foundation
503 Martindale Street
Fourth Floor
Pittsburgh, PA 15212

Dear Jack,

Enclosed please find a copy of our annual schedule request. The request has been prepared at an AHERF level with a separate analysis of the recent affiliations and should be utilized as considered applicable for each affiliate entity. If you have any questions please contact me at 355-7531, Christa Porter at 355-8029, Mark Kirstein at 355-7546 or Amy Frazier at 392-4933. As originally discussed, we are expecting to perform preliminary fieldwork beginning April 28 through May 30, 1997.

Sincerely,



Brian Christian

Enclosure

cc: A. Adamczak
D. Cancelmi
C. Lisman

CANDEP 01344

AHERF
Fiscal Year 1997 Schedule Request
Preliminary and Year End Fieldwork

The following document represents our annual schedule request which identifies the more significant schedules that we will need to complete the audit of AHERF and its affiliates. The schedules should be prepared for each entity as considered applicable. Consistent with previous years, **all schedules should be completed as of June 30**, however, in addition, certain schedules should also be provided at an interim date (i.e., March 31, 1997) to be used in completion of early substantive audit testing. Page two of this document includes a summary those areas that will be included in our early substantive audit testing procedures. This document is intended to be a guide, internal schedules which meet the same objective should be substituted in place of the requested schedule.

Consistent with the 1996 audit we will utilize the Coopers & Lybrand Audit Support System (CLASS) on the AHERF audits. CLASS is our Firm's version of a "paperless" audit. We are requesting that you provide us the schedules and any other supporting documentation on a disk in either LOTUS 1-2-3 or WordPerfect format. If there are items which are not available on disk, such as contracts, debt instruments or invoices, there is no need to create a file, we will simply use the hard copy evidence as we have done in the past.

Additionally, we will update our understanding and test the internal control environment during our preliminary audit phase. Our primary areas of focus include revenue, both the patient and professional fee cycles, payroll, purchasing, grant administration, student revenues, intercompany charges, fixed assets and treasury systems. Our procedures will involve meeting with operational personnel, documenting changes to the environment and selecting samples of transactions and specific controls for testing. We would appreciate your assistance in alerting these personnel that we will be in contact with them during our preliminary phase.

CANDEP 01345

**AHERF
PRELIMINARY PHASE
AUDIT AREAS**

- Patient Accounts Receivable, including CRA's (*)
- Malpractice and Workers Compensation Accruals Testing (*)
- Property, Plant & Equipment (*)
- Other Assets (*)
- Other Liabilities (*)
- Review of all managed care contracts for the AHERF system. (*)
- Document controls of investment system and review supporting documentation for propriety of classifications.
- Document and test any significant system conversions.
- Review Board of Trustee minutes.
- Summary of all attorneys consulted during the fiscal year for preparation and mailing of legal letters.
- Fluctuation analysis for all entities & other analytical procedures.
- Audit of the AHERF, AVH, and Forbes defined benefit retirement plan and Zurbrugg's defined contribution retirement plans as of December 31, 1996. (See page 10 of this document for a detailed Schedule Request covering these procedures.)
- Opening balance sheet procedures, including purchase accounting adjustments for AVH, Forbes and Graduate entities
- Depreciation recapture calculation.
- New lease transactions.

(*) For those accounts that we perform early substantive procedures as of the interim date of March 31, 1997, we will update the activity for these areas to year end and perform the appropriate audit tests, including comparative analyses as of June 30, 1997.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

CASH

- Comparative schedule of cash balances at June 30, 1997.
- Reconciliation of all accounts to bank statements and general ledgers.
- Identify restrictions on cash accounts.
- Preparation of bank confirmations.
- Analysis of intercompany transfers.

INVESTMENTS (All Trustee Held, Board Designated, Endowment, Working Capital and Other Investments):

- Comparative schedule of investments, segregated by investment type, including a comparison to market value.
- Reconciliation of all accounts to the applicable trust statements.
- Analysis of accrued interest receivable.
- Analysis of investment income.
- Identify restrictions on accounts.
- Preparation of bank confirmations.
- Analysis of transfers to Mellon Master Trust.
- Reconciliation of system conversion.

PATIENT ACCOUNTS RECEIVABLE (including CRA's) / PROFESSIONAL FEE REVENUE

The following list represents our request for both patient accounts receivable and professional fee revenue. Each bullet point may not be applicable to both areas.

- Provide a copy of management's statistical package at March 31, 1997 and June 30, 1997.
- Summarize accounts receivable, including in-house, DNFB and final billed, for inpatient and outpatient accounts as considered appropriate. Include reconciliations to the general ledger. (Including the number of patients and patient days (where applicable) for each category).
- Summarize number of patients and patient days (where applicable) for each category at March 31 and June 30. (category would be in-house, DNFB and Final billed on an inpatient and outpatient basis).
- Prepare a comparative aged A/R summary by significant payor type, based on date of service for outpatient and date of discharge for inpatient.
- Provide remittance advice summaries for the fiscal year.
- Summarize remittance advices subsequent to year end through August 29, 1997.
- Provide analyses of contractual allowances for DNFB and in-house.
- Provide a listing of all patient receivable balances greater than 90 days old in excess of \$100,000 including documentation on the status of the account.
- Analyze the cash clearing accounts for inpatient/outpatient balances and provide a detailed listing of unposted cash at year end.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

**PATIENT ACCOUNTS RECEIVABLE (Including CRA's) / PROFESSIONAL FEE
REVENUE, continued**

- Provide a listing of "credit balance accounts" for accounts greater than \$25,000.
- At year-end, provide a high dollar account analysis for patient account balances in excess of \$200,000. The analysis should include payor, patient number, patient name, account balance, contractual allowance estimates recorded, net receivable, aging for final billed account and status of the account. This year-end analysis should be updated for subsequent receipts through August 22, 1997.
- Analyze the allowance for doubtful accounts as of March 31 and June 30, 1997. Compare the estimate with prior year. Summarize account balance activity for the year to bad debt expense by payor. Additionally, any internal analyses of bad debt methodologies that provide consistency between entities should be provided.
- Summarize third party payor denials.
- Summarize charity care, including charges foregone and expenses to administer the care.
- Provide copies of the results of all KEPRO reviews at March 31, 1997 and updated through June 30, 1997.
- Provide a summary of CRA activity at March 31, 1997 and updated through June 30, 1997. Summary should include beginning balances, cash receipts, cash payments, other activity and ending balances.
- Analyze ending CRA balances for all open years. This should include the current year estimate.
- Summarize cash correspondence for prior years CRA's and make available third party correspondence during the year.
- Provide a summary of PIP account activity at March 31, 1997 and updated through June 30, 1997.
- Analyze ending PIP balances for all open years.
- Make available third party correspondence related to CRA and PIP account activity during the current fiscal year.
- Preparation of KEPRO confirmations.

STUDENT ACCOUNTS RECEIVABLE

- Comparative schedule of balances with prior year.
- Analysis of allowance for doubtful accounts.
- Analysis of bad debt expense.
- Listing of all credit balances at June 30, 1997.
- Statistical information (i.e., student enrollment by program and financial aid, rates, etc.)

CANDEP 01348

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

INTERCOMPANY ACCOUNTS

- Provide a detailed analysis of all intercompany accounts including reconciliation to the general ledger.
- Assess collectibility of receivables.
- Make available intercompany overhead charge model and policies
- Provide a summary of all G/L accounts that represent intercompany accounts.

OTHER RECEIVABLES (including pledges and grants receivable)

- Comparative schedule of balances at March 31, 1997 and June 30, 1997.
- Provide a summary of detail with reconciliation to the general ledger.
- Assess collectibility of receivables.

INVENTORY

- Comparative schedule of balances with prior year.
- Provide an analysis of the inventory results (i.e., book to physical adjustments).

OTHER ASSETS (including deferred financing costs, equity investments)

- Comparative schedule of balances at March 31, 1997 and June 30, 1997.
- Summarize current year activity with a reconciliation to the general ledger.
- Available financial statements of equity investments, including an analysis of any loss commitments from those investments.

PROPERTY, PLANT AND EQUIPMENT

- Provide a summary of current year activity, (i.e., beginning balance plus additions less disposals equals ending balance) with a reconciliation of the subsidiary ledger to the general ledger. (This schedule should be available for year-end fieldwork only.)
- Identify any non-cash transactions during the current year
- Analyze depreciation/amortization expense and reconcile to the income statement.
- Summarize significant gains/losses on retirements, if any.
- Provide a copy of the capital additions budget with a comparison of budget vs. actual and significant variances analyzed.
- Provide capitalized interest calculation at June 30, 1997.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

LEASING

- Make available all new capital and operating lease documents.
- Prepare a five year payout schedule for both operating and capital lease arrangements at June 30, 1997.
- Provide a detail of rent expense by entity.
- SAS #13 analysis for all new leases
- Analysis of all sale / leaseback transactions.
- Summary of open commitments.

ACCOUNTS PAYABLE

- Comparative schedule of balances with prior year.
- Provide reconciliation of the subsidiary ledger to the general ledger.
- Make available check registers and subsidiary ledgers to perform a search for unrecorded liabilities.
- Provide a listing of open purchase orders at June 30, 1997.

ACCRUED EXPENSES

- Comparative schedule of balances at June 30, 1997.
- Provide supporting documentation for significant accruals (vacation, payroll, sick pay, student deposits and prepayments, etc.)

LONG-TERM DEBT

- Summary of account balance and activity during the fiscal year and reconciliation to the general ledger at June 30, 1997.
- Provide quarterly covenant calculations for all debt agreements.
- Preparation of debt confirmations.

PENSION COST

- Summarize current year activity and reconcile to the general ledger.
- Reconcile current year expense allocated to the respective entities and to the plan's actuary report.
- Summarize the status of plan transitions for those benefit plans merging into the AHERF system.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

ADVANCES FROM THIRD-PARTY PAYORS

- Summarize activity of advance account during the year and reconcile schedule to the general ledger.
- Provide correspondence from the payor regarding changes in the authorized amount available.
- Preparation of confirmations.

DEFERRED REVENUE

- Comparative schedule with prior year.
- Evaluate the propriety of the amount recorded at June 30, 1997.

MALPRACTICE AND WORKERS' COMPENSATION ACCRUAL

- Comparative schedule with prior year. Analyze the balance in relation to recent history and timing of insurance coverage.
- Reconcile the current year activity of the accrual to the general ledger.
- Prepare a summary of AHSPIC and HAHN's funded status.
- Provide actuarial report supporting the accrual for malpractice claims.
- Make available claims data for testing purposes.
- Provide actuarial report for self-insurance trust funds.
- Provide a detail of commercial policies purchased for run out at Graduate, Forbes and AVH.

PHYSICIAN CONTRACTS / MANAGED CARE AGREEMENTS

- Provide a listing of all third party agreements.
- Provide a detail of physician contracts.
- Provide a summary of covered lives by third party agreement.

NET ASSETS

- Summarize the activity in the unrestricted, temporarily restricted and permanently restricted accounts, with a reconciliation to the general ledger.

OPENING BALANCE SHEETS (AVH, Forbes and Graduate entities)

- Valuations for all property, plant and equipment at acquisition date (opening balance sheet dates).
- Bank statements confirming opening cash balances.
- Accounts receivable analyses:
 1. Run out of opening accounts receivable balances.
 2. Remittance advice summaries for testing
 3. Subsequent receipts on outstanding patient accounts receivable.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

OPENING BALANCE SHEETS (AVH, Forbes and Graduate entities), continued

4. Credit balances (i.e., any large credit balances in account receivable that adjust purchase price).
- Policy analysis:
 1. Bad debt reserve using AHERF methodology vs. current methodology (i.e., support for purchase accounting adjustment).
 2. Workers compensation / Malpractice reserve adjustments (i.e., purchase accounting for consistent policies).
 3. Other
- Supporting documentation for other receivables and assets, other liabilities and debt.
- Legal due diligence review
- Listing of employees covered under severance agreements and their related compensation.
- Analysis of all restructuring charges by entity.
- Detail of depreciation recapture calculation.
- Make available all affiliation agreements.
- Copies of C&L reviewed 1996 Graduate Deloitte and Touche working papers.

**AHERF SCHEDULE REQUEST
FISCAL YEAR 1997**

OTHER SCHEDULES

- Final trial balances at March 31, 1997 and June 30, 1997, including a download into Lotus 1-2-3.
- Make available final general ledger at March 31, 1997 and June 30, 1997.
- Internal financial statements for March 31, 1997 and June 30, 1997.
- Summarize significant related party transactions at June 30, 1997 for footnote disclosure.
- Provide supporting information for the financial statement preparation.
- Provide internal analysis, if any, of identified organizations that would be covered by SOP 94-3 "Reporting of Related Entities by Not-for-Profit Organizations".
- Provide supporting documentation for commitments and contingencies, including physician contracts and employment agreements.
- Reconciliation of all system conversions.

**AHERF RETIREMENT PLANS
SCHEDULE REQUEST**

As indicated above, during our preliminary phase of fieldwork, we will complete our procedures covering the AHERF, AVH, and Forbes defined benefit retirement plan and Zurbrugg's defined contribution retirement plans. Similar to the financial statement internal control documentation, we will need to be in contact with individuals within the human resource and payroll departments. We would appreciate your assistance in alerting them of our requirements. In connection with these procedures we will also need the following information:

DEFINED BENEFIT PLANS

- Reconciliation of participant census data to payroll
- Copies of plan amendments, if any.
- Trust statements for the plan year ended December 31, 1996.
- List of active participants as of December 31, 1996.
- List of new retirees during the plan year.
- List of participants who have terminated during 1996 and are vested.
- List of participants receiving benefit payments.
- Actuarial valuation for the plan year ended December 31, 1996.
- Financial statements with supporting documentation for disclosure.

DEFINED CONTRIBUTION PLANS

- Reconciliation of participant census data to payroll
- Copies of plan amendments, if any.
- Trust statements for the plan year ended December 31, 1996.
- List of active participants as of December 31, 1996.
- List of new retirees during the plan year.
- List of participants who have terminated during 1996 and are vested.
- List of participants receiving benefit payments.
- Financial statements with supporting documentation for disclosure.

EXHIBIT 1447

Meeting of the Executive Committee
Allegheny Health, Education and Research Foundation
Saturday, June 20, 1998 - 8:00 a.m.
In Person and By Phone
29th Floor, Fifth Avenue Place
Pittsburgh, Pennsylvania

Members

J. David Barnes
Frank V. Cahouet
Douglas D. Danforth
Harry R. Edelman III
Robert L. Fletcher

Claire W. Gargalli
Ira J. Gumberg
Robert M. Hernandez
Francis B. Nimick
Robert B. Palmer
W. P. Snyder III

Invitees

Al Adamczak
Joseph Dionisio
David W. McConnell

Charles Morrison
Charles J. Queenan, Jr., Esq.
Nancy A. Wynstra

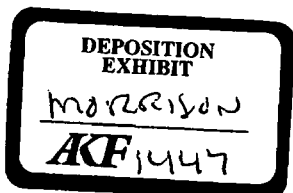
AGENDA

Presenter

- | | |
|--------------------------------------|--------------------|
| I. Opening of the Meeting | W. P. Snyder III |
| II. Additions to the Agenda | W. P. Snyder III |
| III. Review of Prior Week Activities | A. M. Sanzo |
| IV. Update on Vanguard Transaction | A. M. Sanzo |
| V. Authorization for Cash Savings | A. M. Sanzo |
| VI. Contingency Plan | C. J. Queenan, Jr. |
| VII. Other Business | W. P. Snyder III |

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Attorney-Client Communication;
Attorneys' Work Product

OPTIONS

- A. File insolvent entities; keep AHERF and AGH out
- B. File insolvent entities; keep AHERF, Western hospitals and AUHS (medical school) out
- C. File AHERF and all other entities
- D. File AHERF and other entities, except AGH and AUMC
- E. Venue (W.D.PA./E.D.PA.) (File AUMP first in W.D.PA.)

PI-232379.01

TAC055216 CM

Privileged and Confidential
Attorney-Client Communication;
Attorneys' Work Product
Draft 6/19 (DAM comments included)

15 unmet K's

AGENDA
EXECUTIVE COMMITTEE MEETING
JUNE 20, 1998

1. Report of Events of Week of 6/13 through 6/19

- Cash situation/June Payrolls
- Hunter Group retained
- Review of long term debt of obligated groups comprising AHERF
- Report of MBIA ~~and PNC~~ meetings
- Preliminary K&L interviews of management team/fact sheet

2. Discussion of Non-bankruptcy Strategies

- cost cutting measures
 - ~~implemented this week~~
 - ~~scheduled to be implemented~~
 - ~~other measures for consideration~~
 - ~~merger of AHERF hospitals~~
- ~~Hunter Group cash availability/management study~~
- Hunter Group activities for week starting 6/22
- Meetings with individual ~~directors~~ ^{creditors}
- Disposition of assets

3. Discussion of Possible Chapter 11 Reorganization Strategy

- Objectives
- Advantages and Disadvantages
- Financing Alternatives
- possible consequences to Vanguard sale (including the AG hearing scheduled for June 23)

4. Interim Actions

- ~~evaluate Chapter 11 possibilities~~
- evaluate other options
- obtain DIP Financing bids/commitment letter(s)

TAC055217 CM

- review in two weeks with interim reports to be delivered to the members of the Executive Committee

TAC055218 CM

VIII. Executive Session

W. P. Snyder III

IX. Adjournment

W. P. Snyder III •

sjd
6/19/98

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TAC055219 *cm*

AHERF Executive Committee
Saturday, June 20, 1998

Members

J. David Barnes ✓
Frank V. Cahouet ✓
Douglas D. Danforth (phone) ✓
Harry R. Edelman, III (absent)
Robert L. Fletcher ✓
Claire W. Gargalli (phone) ✓
Ira J. Gumberg ✓
Robert M. Hernandez ✓
Francis B. Nimick, Jr. ✓
Robert B. Palmer (phone) ✓
W.P. Snyder III ✓

Invited

Al Adamczyk ✓
Joe Dionisio ✓
David McConnell ✓
Chuck Morrison ✓
Anthony Sanzo ✓
Nancy Wynstra ✓
Kirkpatrick & Lockhart Attorneys

D. McClenahan
B. Cullen
Dave Murdock
K. Hendrickson

TAC055220 CM

SATURDAY JUNE 20, 1998
 8 AM

#120

AHERF Executive Committee

Wednesday, June 17, 1998

OFFICERS

W. P. Snyder III
 Douglas D. Danforth

Committee Chair
 Committee Vice Chair

Signed
 724-238-7155

COMMITTEE MEMBERS

FAX

4 I David Barnes ^{Laurie} 234-4446	Committee Member	236-6663
yes Frank V. Cahouet ^{Kathy} 234-4962	Committee Member	234-7525
4 Douglas D. Danforth ^{? by Phone}	Committee Member	434-1981
NO Harry R. Edelman, III ^{Carol 642-3100}	Committee Member	788-9928
4 Robert L. Fletcher ^{Boyer}	Committee Member	963-6974
4 Francis B. Nimick, Jr. 5584 ^{AWAY 25-7 July}	Committee Member	—
4 Robert B. Palmer 610 274-0287	Committee Member	—
4 W. P. Snyder III	Committee Member	—
4 Claire W. Gargalli ^{Home -}		215 772-1404
215 772-0759 Home ^{fx: 215-772-1404}		244-9133
4 IRA J. GUMBERG 244-4007		433-2015
4 ROBERT M. HERNANDEZ		

NAW
 Joe
 Chuck
 DWM
 STAFF

Dwight Kasperbauer
 David W. McConnell
 Leonard L. Ross, Ph.D.
 Anthony M. Sanzo
 Nancy A. Wynstra, Esq.

Guest AHERF EVP & Chief Human Resources Officer
 Guest AHERF EVP & CFO & Treasurer
 Guest AHERF EVP & Chief Academic Officer
 Guest AUH WEST President & CEO
 Guest AHERF EVP & General Counsel & Secretary

TAC055221 CM

MEET ME LINE 8240

1-800 624-5133

AUDREY 6111

TOM ASHCOM 8957

TELEPHONE OFFICE 3700

Sylvia Day

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Attorney-Client Communication;
Attorneys' Work Product

AGENDA
EXECUTIVE COMMITTEE MEETING
JUNE 20, 1998

1. Report of Events of Week of 6/13 through 6/19

- Cash situation/June Payrolls
- Hunter Group retained
- Review of long term debt of obligated groups comprising AHERF
- Report of MBIA meeting
- Status of Vanguard transaction
- Preliminary K&L interviews of management team/fact sheet

2. Discussion of Non-bankruptcy Strategies

- cost cutting measures
- Hunter Group activities for week starting 6/22
- Meetings with individual creditors
- Disposition of assets

3. Discussion of Possible Chapter 11 Reorganization Strategy

- Objectives
- Advantages and Disadvantages
- Financing Alternatives
- possible consequences to Vanguard sale (including the AG hearing scheduled for June 23)

4. Interim Actions

- evaluate other options
- obtain DIP Financing bids/commitment letter(s)
- future Executive Committee meetings - *Fri. Exec. Comm. 11-2*
Postpone Bd. meeting

TAC055222 cm

Kirkpatrick & Lockhart LLP
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Attorneys' Work Product

SUMMARY OF MATERIALS PRESENTED TO THE
EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES
OF AHERF
JUNE 20, 1998

1. Current Cash Strategy and June payrolls
2. Status of Long Term Debt/Bonds

Bond service will require approximately \$6 million in June and \$6 million in July.

There are 14 bond issues representing an aggregate of approximately \$932 million in long term, bonded debt. Of these issues, 9 (representing approximately \$763 million) are either presently in technical default or are anticipated to be in technical default as of June 30, 1998. Entities in technical default include (i) the AGH Obligated Group (\$97.6 million); (ii) the AUMC Obligated Group (\$61 million); (iii) Centennial (\$160 million); (iv) the Delaware Valley Obligated Group (\$402 million); and (v) AHNJ (\$41 million). The defaults related to various failures to meet measures of financial soundness and some have been continuing for more than three fiscal quarters. AHERF's finance department assures that required notices have been timely delivered to trustees, etc.

Approximately half the bonds have credit enhancement either in the form of MBIA Insurance or a letter of credit. PNC Bank, National Association and Morgan Guaranty Trust Company have issued the letters of credit.

Accordingly, MBIA, PNC and Morgan Guaranty are real parties in interest with regard to credit enhanced issues. Mr. Sanzo has discussed these matters with MBIA during this past week and our understanding is that MBIA endorses the retention of the Hunter Group and will forebear for some period. Discussions are under way with PNC [and Morgan Guaranty].

2. Inter-entity Transfers

There has been a substantial volume of transfers between and among AHERF and its several subsidiaries and those transfers continue. In addition, AHERF and its several subsidiaries are parties to Management Services Agreement under which, generally, AHERF charges fees in exchange for services rendered. The amounts to be charged are not specified in those agreements. Moreover, there is no record of attributing transfers to any particular agreement or any particular service.

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3. Chapter 11 Considerations

Initially, it is noted that the Vanguard asset purchase agreement gives Vanguard an out if one or more of the sellers files bankruptcy or is insolvent prior to closing. The sellers may not presently meet the solvency criteria of the agreement. A bankruptcy filing would clearly give Vanguard an out.

Basic Bankruptcy Principles

a. *no creditor can force a 501(c)(3) organization into bankruptcy* (there is a seldom used Pennsylvania Orphan's Court proceeding for dissolution of a non-profit for failure to pay judgment debt). However, once commenced, a case involving a 501(c)(3) non-profit corporation proceeds under the same rules as a for profit corporate bankruptcy.

b. *venue of the proceeding is in the bankruptcy court where the filing entity has a principal place of business.* Once venue is established for a particular entity, affiliates choosing to file may file in that bankruptcy court. For example, if AUMP were to file in Pittsburgh, eastern entities could choose to file in Pittsburgh.

c. *certain transfers from insolvent entities may be voided.*

d. *transfers from a debtor to a creditor within 90 days of filing (one year in the case of transfers to "insiders") may be voided as preferences of one debtor over another.* Inter-entity transfers will be subject to particular scrutiny.

e. *transfers of solvent entities to insolvent entities may be subordinated based on equitable principles.* For example, if a solvent AGH has subsidized insolvent members of the AHERF group, AGH's debt may be subordinated to other creditors.

f. *AHERF guarantees of affiliates' debt may be enforced against AHERF if affiliates file.*

g. *[a filing may accelerate bonds].*

Strategic Considerations

a. arrangements for complex filings and appropriate DIP financing require careful planning, timing and implementation;

b. At this point, it seems likely that the Eastern entities will file bankruptcy. AHERF is probably insolvent and may also file. It may be possible to avoid a filing for AGH and Allegheny University Medical Centers (Allegheny Valley, Forbes and Cannonsburg);

c. Advantages of Filing:

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- avoid burdensome contracts—leases and other contracts may unilaterally be rejected. Personal services contracts (e.g., doctor and manager employment contracts) may be rejected on a contract by contract basis; collective bargaining agreements may be rejected under more limited circumstances;
- DIP (debtor in possession) financing may be more favorable than available non-bankruptcy financing;
- stay of liquidation; and
- potential reduction or elimination of pre-bankruptcy debt.

d. Disadvantages of Filing:

- see initial note regarding Vanguard;
- potential to unwind mergers creating AUMC;
- expense and delay;
- possible loss of control;
- risk of litigation against officers and directors as individuals;
- rejection of physician contracts may reduce referrals;
- public relations issues;
- Pennsylvania Attorney General actions

Other Considerations

- conflicts

TAC055225 *Am*

EXHIBIT 1448

DB-CM-46-00982

Coopers
& Lybrand

Coopers & Lybrand LLP

a professional services firm

600 Grant Street
35th Floor
Pittsburgh, Pennsylvania
15219-2777

telephone (412) 355-8000

facsimile (412) 355-8089

September 11, 1995

SEP 1 1995

Mr. Chuck Morrison
Allegheny Health, Education and Research Foundation
3300 Henry Avenue
Philadelphia, PA 19129

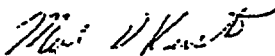
Dear Chuck:

2/10/97
Bill Buetner and I met with David McConnell today and discussed, among other items, the amount of accounts receivable that are included in the greater than 180 day category and the related bad debt reserve at each of the AHERF hospitals. After the meeting, David asked that I discuss the status of the receivables with you at a later date. I have set up a meeting, through your secretary, for 9:00 AM on Friday September 22nd at the Clark Building for this purpose. For your review, I have included the summaries that we shared with David which are serving as a basis for our conclusions on the audit.

Based on our review, we believe that the reserve for accounts receivable should be enhanced and the methodology used to establish the reserves reviewed for future reference. Our basis for this conclusion is rooted in the amount of A/R over 180 days old coupled with the reduction in the reserve as a percentage of A/R at several of the hospitals. In order to analyze the potential adjustment we applied the AGH reserve percentages to each of the hospitals agings and identified what the adjustment would entail under this premise. While this is conservative and would be slightly offset by the unapplied PIP cash, we believe that it supports the conclusion that the reserves should be enhanced.

Certainly, if you have any questions on these summaries prior to our meeting, please do not hesitate to call me at 412-355-7546. I look forward to working with you on this matter and offer to you that I am available to assist you on any matter that you would like to discuss throughout the year. Please do not hesitate to call.

Sincerely,



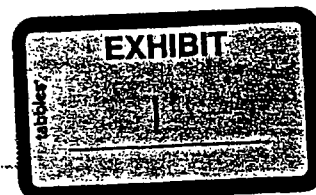
Mark D. Kirstein

enclosures

DB-CM-46-00982

Coopers & Lybrand LLP, a registered limited liability partnership, is a member firm of Coopers & Lybrand International.

EX.	1448
WIT.	
DATE	5/14/03
CLAIRE GROSS, RPTR	



DB-CM-46-00983

Allegheny Health, Education and Research Foundation
A/R Aging and Reserve Review

Total Reserve per T/B	41,843,521
Reserve allocated to >180 days	<u>26,932,853</u>
Reserve for <180 days	<u>14,910,668</u>

Total A/R (net, prior to reserve)	335,401,232
A/R > 180 days	<u>66,950,143</u>
Total A/R < 180 days	<u>268,451,089</u>

Reserve for A/R > 180 days	26,932,853
A/R > 180 days	66,950,143
% Reserve > 180 days	40.23%
Unreserved A/R > 180 days	40,017,290

Reserve for A/R < 180 days	14,910,668
A/R < 180 days	<u>268,451,089</u>
% Reserve for < 180 days	<u>5.55%</u>

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DB-CM-46-00984

CONSOLIDATED DELAWARE VALLEY
ALLOWANCE FOR DOUBTFUL ACCOUNTS
6/30/95

INPATIENT

PAYOR	180 TO 360 DAYS	GREATER 360 DAYS	TOTAL > 180 DAYS	RESERVE PERCENTAGE	≥360
Medicare	1,749,820	2,174,126	3,923,946		
less: reserve	(87,490)	(278,389)	(365,879)		
Total	1,662,330	1,895,737	3,558,067	-9.32%	-12.80%
Medicaid	3,968,485	5,370,023	9,338,508		
less: reserve	(1,384,969)	(2,722,713)	(4,087,682)		
Total	2,603,517	2,647,310	5,250,826	-43.77%	-50.70%
Blue Cross	6,838,827	5,269,659	12,108,486		
less: reserve	(515,181)	(967,777)	(1,482,958)		
Total	6,323,646	4,301,882	10,625,528	-12.25%	-18.37%
Self Pay	3,250,041	1,807,380	5,057,421		
less: reserve	(2,747,674)	(1,798,622)	(4,546,296)		
Total	502,367	8,758	511,125	-89.89%	-99.52%
Other	5,077,177	3,158,993	8,236,170		
less: reserve	(1,395,403)	(1,936,253)	(3,331,656)		
Total	3,681,774	1,222,740	4,904,514	-40.45%	-61.29%
TOTAL	20,884,350	17,780,181	38,664,531		
less: reserves	(6,110,718)	(7,703,754)	(13,814,471)		
UP TOTAL	14,773,632	10,076,427	24,850,060	-35.73%	-43.33%

OUTPATIENT

PAYOR	180 TO 360 DAYS	GREATER 360 DAYS	TOTAL > 180 DAYS	RESERVE PERCENTAGE	≥360
Medicare (NET)	1,231,659	1,654,731	2,886,390		
less: reserve	(54,073)	(128,198)	(182,271)		
Total	1,177,586	1,526,533	2,704,119	-8.31%	-7.75%
Medicaid (NET)	788,774	689,731	1,478,505		
less: reserve	(142,501)	(191,384)	(333,885)		
Total	646,273	498,337	1,144,610	-22.58%	-27.75%
Blue Cross (NET)	1,111,391	1,020,301	2,131,692		
less: reserve	(57,949)	(49,285)	(107,234)		
Total	1,053,442	971,016	2,024,458	-5.03%	-4.83%
Self Pay (NET)	1,183,130	967,904	2,151,034		
less: reserve	(957,196)	(975,549)	(1,932,744)		
Total	225,934	(7,644)	218,290	-89.85%	-100.79%
Other (NET)	6,491,920	3,027,489	9,519,409		
less: reserve	(2,386,064)	(1,483,240)	(3,879,303)		
Total	4,105,857	1,534,249	5,640,106	-40.75%	-49.32%
TOTAL (NET)	10,806,875	7,360,156	18,167,030		
less: reserves	(3,597,782)	(2,837,665)	(6,435,448)		
O/P TOTAL	7,209,092	4,522,490	11,731,582	-35.42%	-38.55%
TOTAL A/R	31,691,225	25,140,337	56,831,561		
less: reserves	(9,708,500)	(10,541,419)	(20,249,919)		
GRAND TOTAL	21,982,725	14,598,918	36,581,642	-35.63%	-41.93%
Total Reserve for All A/R			30,709,521		

Total A/R (net, prior to reserve) 244,100,125
 A/R > 180 days 56,831,561
 Total A/R < 180 days 187,268,564
 Reserve for A/R < 180 days 10,459,602
 % Reserve for < 180 days 5.59%

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